

December 4, 2013

Ms. Mary Wesling (SFD-9-3) Environmental Specialist U.S. EPA Region IX 75 Hawthorne Street San Francisco, CA 94105

## Mary,

Recently I discovered an e-mail submitted by Janet Gunter, a member of the San Pedro Peninsula Homeowners United (SPPHU posted on the City of Rancho Palos Verdes website as correspondence for the December 3, 2013 City Council meeting). Ms. Gunter's e-mail communication to you and others was dated October 14, 2013 and as usual contains unfounded allegations against the Rancho LPG Facility located at 2110 North Gaffey Street in San Pedro, CA. Therefore, it is incumbent on Rancho to respond to these unfounded allegations with documented facts from applicable regulatory and legal sources.

## 1. Comments by Professor Thomas Heaton of the California Institute of Technology

With respect to Professor Heaton, by his own admission, he has at best a vague recollection of any information concerning the Petrolane (Rancho) tanks or details of a purported analysis. Typically, it is prudent for a person to be certain of the data before making suppositions particularly those related to some sort of catastrophic failure associated with the tanks. In response Rancho would like to clarify a couple of issues raised by Professor Heaton.

- Sloshing Since 1977 several studies have been submitted concerning potential damage of the tanks due to sloshing. See numerous referenced studies below as listed in Item #3.
- Dewar Configuration The Rancho low pressure API 620R refrigerated tanks are not considered Dewar Configured tanks. Dewar tanks customarily have walls constructed from two or more layers, with a high <u>vacuum</u> typically maintained between the layers. Rancho's tanks (T-1 and T-2) were constructed by Chicago Bridge and Iron Company (CB&I), the premier builder of refrigerated tanks in the world and is still in business today. These tanks have a 2' annular space between the inner and outer walls. This 2' annular space is filled with perlite insulation and maintained with 1.5 inches of natural gas pressure.
- Fluid contact with outer tank wall The dome of the Rancho tanks attaches to the top of the
  inner wall and there is a top surface which seals the annular space between the inner and outer
  wall, and forms the chamber that is filled with pearlite insulation and purged with natural
  gas. Any extreme sloshing of the refrigerated liquid could possibly splash against the insulated
  drop roof and the tank dome, but cannot flow over into the annular section.
- Outer wall fracture The normal operating temperature for the carbon steel outer wall is near ambient and is rated for use down to 20\*F. Therefore, even if it was remotely possible for fluid (refrigerated butane) to contact the outer wall shell, the metallurgy would not be impacted

(fractured) since the normal operating temperature for the fluid is between 28\*F to 30\*F which is far above the -20\*F rating for the carbon steel.

## 2. LA Times Newspaper Articles

LA Times newspaper articles written by Larry Pryor dated April 4, 1977 and July 16, 1977. Certainly the validity of any newspaper article whether then or now is questionable given the ambition is to sell newspapers. Since then, several industry and regulatory agency studies on the Rancho facility have been written which refutes much of the information contained in Pryor's articles.

In September 1977, a comprehensive report was submitted by the California State Public Utilities Commission (CPUC) at the request of Governor Jerry Brown for the agency head a multi-agency safety inspection of the Petrolane (Rancho LPG) facility in San Pedro to determine its potential hazard to the surrounding area. The Report was based upon a joint effort by the Los Angeles Department of Buildings and Safety, The City of Los Angeles Fire Department, City of Los Angeles Harbor Department, United States Coast Guard, The Division of Industrial Safety, Coastal Commission, Petrolane, and coordinated by the CPUC. The agencies were charged with evaluating the facility and marine terminal and preparing conclusions related to address community safety concerns. The 1977 CPUC Report contained no findings indicating the facility was unsafe or that it should be shut down. To my knowledge, Pryor did not write any articles following the release of the CPUC Report although it was public record? Furthermore, Ms. Gunter and the SPPHU acknowledge having a copy of the 1977 CPUC Report; yet disregard much of the information because it does not support their allegations and/or talking points! Appendix 1 in the Report lists all 42 applicable permits from the respective agencies required to build the facility, including seven from the LAFD. The full CPUC Report is very large, but available upon request.

#### 3. Seismic Concerns

The best starting point for this issue is the abovementioned 1977 CPUC Report since this is the first reference document addressing seismic issues at the Petrolane (Rancho) facility. All italicized statements are directly from the Report.

Chapter 12, page 12-2, #6 - "Until the last couple of years, the Palos Verdes Fault was considered to be inactive but recent studies, most notably by the United States Geological Survey Open File Report 75-596, November 1975, have indicated that this fault should be considered active. Roger W. Greensfelder of the California Division of Mines and Geology also shows the fault as being "potentially active" in the "Maximum Credible Rock Acceleration from Earthquakes in California", revised August 1974. The exact location of this fault is not known since it does not exhibit obvious surface displacement. Most estimates, however, place it about one mile from the LPG site".

Chapter 12, page 12-2, #7 - "The existing LPG facility was designed to withstand an acceleration of 0.4g. The paper Safety Considerations in the Design and Operation of a Refrigerated LP-Gas Marine Terminal", states the design criteria was "a zero period acceleration value of 0.31g based on a "design earthquake" along the Newport –Inglewood Fault". The Earthquake Analysis prepared by Chicago Bridge and Iron (CB&I) shows the facility was designed for a "maximum ground acceleration" of 0.4g based upon a 5.5 to 6.0 magnitude earthquake on the Palos Verdes Fault. Even though the Palos Verdes Fault was considered to be inactive at the time of design in August 1972, the designers (CB&I) evidently decided that in the best interest of safety, they would design the facility for such a seismic event".

<u>Chapter 12, page 12-5, #17 -</u> "Subsequent to the draft review of July 7, 1977, Converse Davis Dixon Associates reanalyzed the petroleum site and submitted a report dated August 9, 1977. The report stated the maximum ground acceleration (zero period acceleration) would not exceed 0.38g in the event of a magnitude 7.2 earthquake on the Palos Verdes Fault at the closet approach to the site".

Chapter 12, page 12-8, #24 - "A review of the original design method provides a good example. In "Soil and Earthquake Engineering Investigation", Converse Davis Dixon Associates made the statement: "the activity of the Palos Verdes Fault, although highly improbable, may generate a magnitude 5.5 earthquake at approximately one mile to the site". In the appendix of the same report the statement was made: Neither of the faults (referring to the Palos Verdes and Cabrillo Faults) have seismic events (greater than magnitude 4.0) definitely associated with them and neither exhibits any evidence of surface rupture". Nevertheless, CB&I chose to design the tanks based upon the event despite its extremely low probability. Petrolane obviously agreed, since it was their project and they had the final approval. CB&I also chose to design for the tank period rather than the zero period (or ground) acceleration and has stated that this value should be used in design analysis. A similar approach appears to be appropriate in the analysis of the tanks' ability to withstand greater seismic events than thought possible at the time of original design".

<u>Chapter 12, page 12-12, #35 -</u> "The Los Angeles Department of Building and Safety has reviewed the design of the tanks and determined that they were adequately designed based upon a magnitude 5.5 to 6.0 earthquake on the Palos Verdes Fault"

<u>Chapter 1, page 1-4, #34</u> - "All welding on the two 300 Mmbl tanks was inspected and controlled — by a qualified welding supervisor. The California Division of Industrial Safety and the Los Angeles Fire Department inspected tank construction and issued permits".

<u>Chapter 1, page 1-6, #47 - "The seismic safety design of the low temperature 300,000 Bbl. LPG tanks should be reviewed in light of the recent studies indicating the potential activity of the Palos Verdes Fault".</u>

Chapter 3, page 3-1, #2 - "Petrolane applied for a construction permit in 1972, but was exempted under Section 91.0102 (b-16) of the Los Angeles Municipal Code that exempts tanks for the storage of flammable liquids from building permit requirements if they are surrounded by an impoundment basin. However, since LPG is a gas in its natural state, rather than a liquid, it is not exempt under this code section so on April 20, 1977, the Department issued an order to comply to Petrolane, Inc., directing Petrolane Inc. to file and obtain building permits for the two low temperature LPG storage tanks". This is confirmation the permitting issue for the tanks was an oversight by the LADBS and not by Petrolane.

<u>Chapter 3, page 3-1, #5 -</u> "When the requested plans for the LPG refrigerated storage tanks are received by the Department, they will be checked to insure their ability to resist seismic loading". This confirms the LADBS would conduct seismic testing on the tanks before issuance of the permit.

<u>Chapter 12, page 12-12, #36 -</u> "Since new information on this fault has become available, they have indicated that they will review the design again to determine the ability of the tanks to withstand the greater accelerations associated with the higher magnitude earthquakes now considered credible".

<u>Chapter 12, page 12-12, #37 -</u> "Converse Davis Dixon Associates has prepared absolute acceleration response spectra for magnitude 6.0, 6.5 and 7.2 earthquakes on the Palos Verdes Fault. Included are spectra for critical dampening of 2% which is generally used for the design of steel tanks. In addition, they have provided their estimates of these probabilities of these earthquake magnitudes".

<u>Chapter 12, page 12-13, #38 -</u> "Chicago Bridge & Iron Company will provide additional data on the tank design and calculations of the period of stresses of the tanks".

In December 1977, the final seismic re-evaluation report for the existing LPG Storage tanks was prepared for the LADBS and Petrolane by Engineering Decision Analysis Company Inc. (EDAC). The EDAC Report used the criteria from Converse Davis Dixon Associates mentioned in item #37 and additional design data from Chicago Bridge & Iron Company as referenced in item #38 to perform the mandated re-evaluation of the two 300,000 bbl low temperature storage tanks. The purpose of the reevaluation was to ensure current tank design to make certain the tanks would not rupture and tank contents will not be spilled during the maximum credible earthquake (6.5 – 7.2) criteria associated with the Palos Verdes Fault. Tanks were subjected to the following seismic re-evaluation conditions: overturning & base shear, uplift capacity, tank sliding, freeboard (sloshing), inner & outer wall hoop strains. Summation of the reevaluation is found on page 2-1 of the EDAC Report and states, "Criteria is given in this section for all critical modes of seismic tank response and for computation parameters such as tank and fluid period used in evaluating tank response. Compliance with the criteria given here will demonstrate that the Petrolane LPG storage tanks have an adequate factor of safety against rupture and the spillage of contents when subjected to maximum credible earthquake ground motions associated with the nearby Palos Verdes fault".

As a result of the findings contained in the LADBS commissioned EDAC Report using new seismic event criteria of 6.5 & 7.2 for the Palos Verdes Fault, permits (#59625 & #59626) 1 were issued to Petrolane by the LADBS for the 2-low temperature storage tanks on 09/29/1978.

The following are additional studies related to seismic adequacy of the tanks to withstand the maximum credible seismic event associated with the Palos Verdes Fault.

- Rancho CalARP Report1 prepared by ABS Consulting dated August 17, 2010, Section 3.2.2 states the tanks were evaluated for elephant foot buckling, tanks sliding, and fluid sloshing effects related with the Maximum Considered Earthquake (MCE) associated with the Palos Verdes Fault. The summation of these findings showed, "Based upon these results, the tanks are shown not to fail when subject to the CalARP specified seismic hazard". Rancho's CalARP Report was audited by the LAFD/CUPA in August 2011 with no notice of violations.
- Environmental Protection Agency (EPA) third party expert seismic consultant report from Strong Motions, Inc. dated May 16, 2012 evaluated the performance of the tanks for freeboard (sloshing) and sliding/uplifting effects associated with the Palos Verdes Fault. Concerning sloshing effects the reports states, "According to Plains, the liquid level in the tanks is limited to 67 feet, which is below the original design capacity of 73'8". Tanks with 67'ft of liquid are expected to remain operational following the 475-year MRP ground shaking".
- With regards to sliding/uplifting effects, page 15 of the Report states, "According to Plains,
  the liquid level in the tanks is limited to 67 feet, which is below the original design capacity of
  73'8". Tanks with 67' of liquid are expected to safely hold their contents following the 2475year MRP ground shaking".

Clearly, since 1977 several different third party seismic studies have been conducted on the Petrolane (Rancho) refrigerated tanks. All have concluded the tanks have been adequately constructed and are expected to remain operational based upon the maximum credible seismic event related with the Palos Verdes Fault. Therefore, the allegations by both Professor Heaton and Ms. Gunter are unfounded.

#### 4. Circumvention of Permitting Process

Nothing could be further from the truth that Petrolane circumvented the original permitting process for the facility. The documented facts clearly illustrates the permitting process was followed. Therefore, the commenter's claims concerning the original permitting process is misguided. To understand the original permitting process it is necessary to again reference the 1977 CPUC Report.

<u>Appendix 1, sheets 1-4 of the 1977 CPUC Report</u> - Lists all the Permits filed and received by Petrolane for the facility. A total of 42 permits from various regulatory agencies were issued. Three permits for the two low pressure storage tanks are listed below.

September 20, 1972 - Permit for two low pressure tanks (not required) – LA Dept. of Building/Safety
September 27, 1972 – Permit for two low pressure tanks (Reg. No. 21927) – LA Fire Department
December 26, 1974 – Permit for LPG Storage and handling system (Permit No. P-59295) - the Air
Pollution Control District, County of Los Angeles

<u>Chapter 3, page 3-1, #2 - "Petrolane applied for a construction permit in 1972, but was exempted under Section 91.0102 (b-16) of the Los Angeles Municipal Code that exempts tanks for the storage of flammable liquids from building permit requirements if they are surrounded by an impoundment basin. However, since LPG is a gas in its natural state, rather than a liquid, it is not exempt under this code section so on April 20, 1977, the Department issued an order to comply to Petrolane, Inc., directing Petrolane Inc. to file and obtain building permits for the two low temperature LPG storage tanks". This is confirmation the permitting issue for the tanks were an oversight by the LADBS and not by Petrolane.</u>

Appendix 1, sheet 5 of 5 of the 1977 CPUC Report - Lists all the applicable 22- codes used to construct the Petrolane LPG Facility. The primary code is the Liquefied Petroleum Gas Code, National Fire Protection Association (NFPA #58). This national code was first adopted in 1932 and updated regularly since applies to the design, construction, installation, and operation of all LP gas systems. It incorporates, by reference, a number of other codes and standards.

Clearly the permitting process was not circumvented as claimed by the commenter. Rancho will not comment with regards to the maladroit allegation that former President Nixon was close friends of Petrolane owner R. J. Munzer. Most likely this claim has about the same credibility as the allegation made by Connie Rutter in a letter posted on the Northwest San Pedro Neighborhood Council dated 08/12/2013 stating "the facility was built without permit review on an emergency exemption due cold war fears with the USSR". The facts do not support any of these ridiculous claims.

## · 5. Earthquake Rupture Zone

While Rancho does not marginalize the facility being near an earthquake fault, the commenter's claim that Rancho is in a "rupture zone" of the Palos Verdes Fault is incorrect. Her only source for the claim is the City of LA Planning Department "1996 Safety Element". It is important to observe that the referenced information contained on page 47 of the Safety Element Exhibit "A" shows the Palos Verdes Fault was placed into a "Fault Rupture Study Area" by the LA Planning Department. However, the Palos Verdes Fault has not been placed by the California Geological Survey (CGS) into an Alquist-Priolo Earthquake Fault Zone and no past USGS or GCS maps or those recently updated on September 21, 2012 place the Palos Verdes Fault in an Alquist-Priolo Fault Zone for surface rupture. Clearly, the Rancho Facility is not located in a CGS designated surface fault rupture zone.

Additionally, the Parcel Report from the Los Angeles Department of Building and Safety also declares the Rancho Facility at 2110 North Gaffey Street is not within an Alquist-Priolo Fault Zone.

On June 28, 2013 the City of Los Angeles Planning Department issued their Final Environmental Impact Report (FEIR) concerning the Ponte Vista Project in San Pedro area. Section III, A, #4 titled, "Topical Responses" specifically relate to the LA Planning Department responses to public comments concerning Rancho. On page III.A-20 of the EIR discusses permitting, tank construction, and seismic issues. Paragraph 32, states, "Its original owner, Petrolane, constructed the Rancho LPG facility beginning in 1973. An EIR the project was certified by the City of Los Angeles in 1973 and the facility was granted all applicable permits from the relevant regulatory agencies prior to construction and initial operation. Although the Rancho LPG facility is not located within a designated surface fault rupture zone, the storage tanks were constructed with an adequate safety factor for the maximum credible seismic event associated at that time with the Palos Verdes Fault and have been subjected to routine evaluation to ensure they meet current building standards, will not fail due to seismic hazard, and provide reasonable assurance that a loss of containment will not result in an offsite consequence of danger to the public". With respect to the most recent seismic evaluation of the Rancho LPG tanks, the CalARP seismic assessment (mandated every five years) for the facility was audited in 2011 with no violations reported". These statements by the Planning Department clearly show the 1996 Safety Element document stated the PV Fault was in a "fault rupture study zone". Only the CGS can declare a fault to be in an Alquist-Priolo fault rupture zone.

Furthermore, California residents can verify potential hazards within their community or in the State by visiting the California Emergency Management Agency (CALEMA) the CA.GOV website (My Hazards link) which provides the public with information about natural hazards within a particular neighborhood by simply typing a street address and zip code into the map search box. The results for entering the address for the Rancho facility (2110 North Gaffey Street 90731) into the search box clearly states "You are outside the following...an Earthquake Fault Zone." This information further confirms that Rancho is outside an Alquist-Priolo Fault Zone.

Rancho's CalARP Report prepared by ABS Consulting dated August 17, 2010, Section 2.3 states, the site is less than one mile from the Palos Verdes Fault, but is not within an Alquist-Priolo Special Studies Zone. There is no identified surface fault trace that underlies or is in close proximity to the site". CalARP mandates seismic hazards assessments must be conducted every 5-years.

On February 10, 2012 the USEPA and Geotechnologies, Inc. conducted a visit to the Rancho Facility to review the adequacy of a previous third party geotechnical evaluation of the site. Pages 7-8 of the Geotechnologies Report dated December 20, 2012 declares, "the site is not underlain by the surface trace of any known faults". Furthermore, the Report states, "The Palos Verdes Fault has not

been designated by the California Geological Survey (CGS) with an Earthquake Fault Zone". For the record, Geotechnologies, Inc. is an EPA consultant...not Rancho's. According to the EPA, the SPPHU received a copy of the Geotechnologies Report via FOIA request.

Documented evidence from the LA Planning Department, CALEMA, and the EPA third party consultant all clearly confirm the Palos Verdes Fault is not an Alquist-Priolo designated fault rupture zone. Yet the commenter still continues to knowingly make false claims to the contrary in order to support her anti-Rancho rhetoric and to promote fear mongering among uninformed local residents.

## 6. EPA "Worst Case" Calculation

This statement by the commenter is not only inaccurate it is reckless. The objective of the commenter is to somehow illustrate that Rancho's "worst case" would not only cause harm to local residents, but ultimately result in serious devastation to the Ports of Los Angeles and Long Beach. In February 2009, shortly after assuming ownership of the Gaffey Street facility, Rancho submitted its Risk Management Plan (RMP) to the EPA. Using standards and methodologies mandated by the EPA, Rancho's identifies off site consequences for both "worst-case" and "alternative-case" release scenarios. Per regulation, our "worst-case" model assumes a complete release of one tank containing a regulated flammable substance (RS) with an ensuing vapor cloud explosion at 1.0 psi overpressure to endpoint based upon criteria mandated in EPA regulation 40CFR68.

The USEPA RMP guidance describes the 1.0 psi overpressure endpoint used for bounding the explosion hazard as follows: "An overpressure of 1.0 psi is unlikely to have serious direct effects on people; this overpressure may cause property damage such as partial demolition of houses, which can result in injuries to people, and shattering of glass windows, which may cause skin laceration from flying glass."

Rancho's RMP "worst case" release scenario submitted to the EPA is 0.5 miles at a 1.0 psi over pressure to endpoint, potentially affecting 772 people. Therefore, the blast radius associated with the "worst case" scenario does not impact the Ports of LA or LB as often claimed by the commenter. Ranchos accepted RMP is on file for public review at the EPA designated Administering Agency (AA) which is the LAFD/CUPA office in downtown Los Angeles. Clearly, the cataclysmic event fabricated by the commenter cannot occur due to a "worst case" release from the Facility per EPA parameters. Consequently, I am certain the EPA would not endorse the commenter's assertion that the 3-mile blast radius calculation is derived using the parameters as listed in 40CFR68.25 for a "worst case" release analysis of a regulated flammable substance (butane) into a passive mitigation system with an ensuing vapor cloud explosion? However, the EPA has endorsed Rancho's "worst case" analysis in an e-mail correspondence dated August 24, 2012. The SPPHU has a copy via FOIA request.

While it is not our intention to marginalize any offsite impacts, the "worst case" scenario for the Rancho LPG facility per EPA regulation does not result in a cataclysmic event and <u>has less potential</u> for damage than the worst-case scenarios of other facilities in the immediate vicinity.

### 7. Burning Temperature of Butane

The commenter makes reference to butane burning so hot that it would ignite combustibles for miles is another fabrication not supported by any regulatory body and is not in accord with the EPA definition of a 1.0 psi overpressure to endpoint as described in Item #6. Clearly, this statement illustrates the commenter's lack of understanding concerning ignition and burning characteristics of flammable materials. In prior correspondence the commenter has used a burning temperature of 3500°F for LPG. However, this refers to the adiabatic flame temperature for butane. The term adiabatic means, "without losing heat". Thus adiabatic flame temperatures would only be achieved

in a "theoretical" or perfect combustion system in which there are no heat loses, and hence no radiation losses from the flame. An acetylene welding torch would serve as an example since it must use pure oxygen plus a pressure regulator device to reach its adiabatic temperature given atmospheric air contains approximately 78% nitrogen which is inert. Because this cannot be achieved in practice (given the inefficiencies of combustion) and is never achieved in a fire situation, adiabatic flame temperatures are calculated values. To put this in perspective, consider the following information from the Chemical Engineering Handbook.

Material	Adiabatic Flame Temperature
Butane	3578 °F
Propane	3623 °F
Kerosene	3801 °F
Coal	3957 °F
Crude	3815 °F
Wood	3596 °F

As illustrated, for most common organic substances burned in air are, in fact, nearly indistinguishable! It is doubtful that the local fire department would agree that the flame from a burning house would reach 3596°F. Thus, these numbers (adiabatic flame temperatures) cannot be used to "define" the temperature of a burning pool of hydrocarbon, or pile of coal or wood. For large hydrocarbon pool fires, it is the radiant flux (energy emitted by the flame) that determines the impact distance, not the flame temperature. While flames from any flammable source could potentially weaken steel, it is doubtful that anyone's Dutch oven has melted when exposed to a wood flame fire? Therefore, the adiabatic flame temperature is meaningless and has no bearing on melting steel or igniting flammable materials for miles as envisioned by the commenter.

## 8. Professor Bob Bea - University California Berkeley

To my knowledge, Professor Bea has never visited the Facility nor does he have access to key information and data required to calculate the true risks associated with the Rancho facility. Furthermore, contrary to the commenter's statement, Professor Bea never makes any specific reference to the Rancho facility in the February 2013 Men's Journal article.

It appears that most of Professor Bea's work has been focused civil and environmental engineering and post-accident forensic analysis which is totally different than pre-incident risk assessments dealing with gas dispersion, consequence modeling, vapor cloud explosions, or liquefied gas safety. It is not Rancho's intention to besmirch the impressive credentials, investigate work, or character of Professor Bea, only to point out he is not an expert with regards to the Rancho Facility as portrayed by the commenter.

Professor Bea's credibility is not in question, but the SPPHU integrity is an issue. During public meetings of the Northwest and Central San Pedro Neighborhood Councils on July 8, 2013 and July 9, 2013 respectively, the SPPHU distributed a flyer with Professor Bea's picture along with his quote "Its risky. Very risky" on the cover page with the Cornerstone Report blast radius circle of 6.8 miles encompassing many Los Angeles area cities. Additionally, the second page is a typical list of numerous SPPHU unfounded allegations against Rancho. At the bottom of this page is contact information of Janet Gunter along with the address for the SPPHU website <a href="https://doi.org/10.1007/nazardsbegone.com">https://doi.org/10.1007/nazardsbegone.com</a>.

On July 10, 2013, I obtained a copy of the SPPHU flyer from a reliable source who attended the both neighborhood council meetings. My initial impression was that a reputable professional like Professor Bea would not consent to his picture associated with this type of provocative information?

'As a result, I immediately sent an e-mail to Professor Bea inquiring if he had seen the flyer? Professor Bea promptly responded via e-mail with the following statement, "thank you for your email and the attached 'flyer'. this is the first time i have seen this document. the document was released without my review or approval. i can only attest to the statement that was contained in the original article that addressed the San Pedro LPG facilities. a copy of that article is attached. see the last three paragraphs". If the commenter had all the proof against Rancho as claimed then why would the need to fabricate and distribute such deceitful information and use Professor Bea as a prop?

The documented regulatory standards and facts provided by Rancho clearly show that Ms. Gunter's correspondence contains numerous unfounded claims, lacks technically sound information, and is absent documented references. As a result, her letter is of no value and should not be relied upon for any decision making purposes associated with the Rancho facility. I would hope that the next time the commenter or fellow SPPHU members make claims against Rancho that lawmakers and regulators would request they supply reputable documented information to support any allegations. Perhaps you should urge the activists to refute the documented information as provided by Rancho.

Rancho is committed to being a strong business and social partner in the San Pedro community. Since Plains purchased this facility in November 2008, it has endeavored to maintain an open, honest, and productive dialogue with the community, elected officials, regulatory agencies, and legal authorities. We remain committed to operating the facility in a prudent and responsible manner which safeguards our workforce and the community.

Please advise should your office require specific or all documentation referenced in this letter or any additional information concerning the Rancho LPG Holdings Gaffey Street facility in San Pedro, CA.

#### Regards,

# Ron Conrow

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